

VA**U.S. Department
of Veterans Affairs**

News Release

Office of Public Affairs
Media RelationsWashington, DC 20420
(202) 461-7600
www.va.govFOR IMMEDIATE RELEASE
January 27, 1999

Washington, D.C. -- Almost two million active policyholders of veterans' life insurance will share in the 1999 distribution of \$751 million in dividends by the Department of Veterans Affairs (VA).

Veterans will receive the payments on the anniversary date of their policies, with the individual dividend amount determined by age, type of insurance and length of time the policy has been in force. Recipients will automatically receive their annual dividend through one of nine payment options.

The dividends represent a return of trust fund earnings on the premiums paid by policyholders through the years. They reflect the fact that veterans are living longer than originally predicted and also are attributable to the higher than expected yields earned by the trust funds from investments in U.S. government securities.

Only those veterans with policies that have been kept in force when premiums were required are eligible for the payout. Inaccurate notices periodically have surfaced in the veteran community, falsely suggesting that those who have not elected to maintain insurance are eligible for a special distribution if they contact VA. (In fact, the only dividends VA distributes are automatically sent to eligible policyholders, who were issued government life insurance policies between 1917 and 1956. Veterans of subsequent eras are covered by government insurance programs that do not pay dividends.)

The largest group receiving 1999 payments will be 1.6 million veterans of World War II with National Service Life Insurance ("V") policies who will receive an average payment of \$385. Total payments are expected to reach \$623.8 million.

Dividends totaling \$3.7 million will be paid to the 18,966 mostly World War I veterans holding U.S. Government Life Insurance ("K") policies.

Some 222,512 veterans who have maintained Veterans Special Life Insurance ("RS" and "W") policies can expect to receive dividends totaling \$100.3 million.

Veterans who hold Veterans Reopened Insurance policies ("J", "JR" and "JS"), currently numbering 73,895, will share a \$24.1 million dividend.

Although VA also administers a special life insurance program for disabled veterans and a program offering mortgage life insurance coverage, these policies have a different financial structure and neither pays dividends. For current active-duty servicemembers and reservists and more recently separated veterans, VA supervises a contract with a private underwriter for Servicemembers' Group Life Insurance, which also does not pay dividends.

Veterans who have questions about their policies may call the VA Insurance Center toll-free at 1-800-669-8477 or may send their e-mail to VAinsurance@vba.va.gov.